

ASSEMBLY BILL

No. 117

Introduced by Assembly Member Kehoe

January 14, 2003

An act to amend Sections 120508 and 120521, and to add Section 120509 to, the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 117, as introduced, Kehoe. Transportation: transit boards.

Under the Mills-Deddeh Transit Development Act, the San Diego Metropolitan Transit Development Board is created with specified transportation powers, including the power to purchase or acquire real and personal property. Existing law provides that whenever the board acquires ownership of existing facilities from a privately or publicly owned corporation or public utility that has a pension plan in operation, it is required that the members and beneficiaries of the pension plan continue to have the rights, privileges, benefits, obligations, and status under that plan.

This bill would permit the board to enroll the members and beneficiaries in, or transfer them to, the Public Employees' Retirement System under specified conditions. The bill would also authorize the board to abolish a nonprofit entity that operates public mass transit services and is solely owned by the board and would make related changes.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 120508 of the Public Utilities Code is amended to read:

120508. (a) This article also applies to the employee relations of employees of a nonprofit entity which operates public mass transit services and which is solely owned by the board. For employee relations regarding these employees, the term “board,” as used in this article, means the board *and the board* of directors of the nonprofit entity *as the joint employer of the employees*.

(b) *The board may, at any time in its sole discretion, abolish any nonprofit entity.*

(c) *Upon abolishing a nonprofit entity pursuant to subdivision (b), the board shall become the sole employer of the employees of the nonprofit entity and shall assume sole responsibility to observe all existing labor contracts established and maintained pursuant to this article.*

SEC. 2. Section 120509 is added to the Public Utilities Code, to read:

120509. Upon the request of any labor organization acting as the exclusive representative of employees whose collective bargaining rights are subject to Section 120508, the “board,” as defined in Section 120508, and the Board of Administration of the Public Employees’ Retirement System, shall enter into a contract to enroll the collectively bargained employees as members of the system. However, employees transferred from any existing retirement system or pension plan to the Public Employees’ Retirement System by operation of this section shall receive benefits immediately after enrollment in, or transfer to, the system that are at least equal to, or greater than, the benefits the employees would have been entitled to immediately before enrollment in, or transfer to, the system.

SEC. 3. Section 120521 of the Public Utilities Code is amended to read:

120521. Whenever the board acquires ownership of existing facilities from a privately or publicly owned corporation or public utility, either in proceedings in eminent domain or otherwise, and terminates the corporation or operates the facilities itself, that has a pension plan in operation, the members and beneficiaries of the

1 pension plan shall continue to have the rights, privileges, benefits,
2 obligations, and status with respect to the plan.

3 The board shall consider, and take into account, the outstanding
4 obligations and liabilities of the corporation or of the publicly or
5 privately owned public utility, as the case may be, by reason of the
6 pension plan, and may negotiate an allowance in the purchase price
7 of the corporation or the utility for the assumption of those
8 obligations and liabilities when acquiring the corporation or the
9 utility.

10 *Instead of maintaining an existing pension plan applicable to*
11 *bargaining unit employees of an acquired facility, the board, with*
12 *the consent of any exclusive collective bargaining representative*
13 *of employees of an acquired facility whose rights are protected by*
14 *Section 120520, may enroll the employees in, or transfer them to,*
15 *the Public Employees Retirement System. However, employees*
16 *participating in an existing pension plan shall receive benefits*
17 *immediately after enrollment in, or transfer to, the system that are*
18 *at least equal to, or greater than, the benefits the employees would*
19 *have been entitled to immediately before enrollment in, or transfer*
20 *to, the system.*

